Stocks end the week mixed amidst lower inflation

Major US equity indices ended the week mixed. The core personal consumption expenditure (PCE) price index was released on Friday. This inflation measure, a preferred indictor by the Fed, showed a 0.2% increase in prices for July, aligning with expectations. The year over year increase was slightly below consensus at 2.6%. Investors, however, reacted positively to the data, which suggests that inflation remains subdued and close to the Fed's target, ahead of the September meeting where the first rate cut in over four years is anticipated. Additionally, chip giant Nvidia's share price dropped sharply on Wednesday despite the company's revenue hitting a record of $30 billion for the three months to July. This reaction highlights the ongoing challenge for Nvidia to exceed increasingly ambitious market projections.

In Europe, major equity indices showed gains for the week as slower inflation supported the argument for a potential interest rate cut by the European Central Bank (ECB) in September. Annual headline inflation in the eurozone slowed to 2.2% in August, down from 2.6% in July and approaching the ECB's target of 2%. Core inflation, which excludes volatile food and energy prices, edged down to 2.8% from 2.9%. However, services inflation, a key metric for policymakers, rose to 4.2% from 4.0% the month prior. Additionally, the German economy fell back into contraction. German GDP growth in the second quarter of the year shrunk by 0.1% between April and June.

In Japan, markets ended the week higher, wrapping up a volatile month. Major Japanese indexes have regained much of the ground lost in early August, which followed the Bank of Japan's (BoJ's) interest rate hike in late July. The earlier sell-off was primarily driven by concerns about US economic growth and the rapid unwinding of the yen carry trade.

Fact of the Week

Headline inflation dropped to 2.2% in the Eurozone, the lowest level in 3 years.

Our regular market information continues on the next page.

Snapshot

World Equities

Gold

Corporate Bonds

Sovereign Bonds

Oil

Copper

The week ahead	
03 Sep	Chinese CPI and GDP data is released.
04 Sep	Eurozone PPI data goes to print.
06 Sep	US Nonfarm Payrolls are published.

	1 Week Return 23.08.24 to 30.08.24		Year to Date Return 31.12.23 to 30.08.24	
	Local Currency	Euro	Local Currency	Euro
World	0.3%	1.3%	16.7%	16.5%
U.S.	0.2%	1.2%	18.8%	18.6%
Europe	1.4%	1.4%	11.3%	11.3%
Ireland	1.2%	1.2%	28.1%	28.1%
U.K.	0.7%	1.4%	11.7%	14.9%
Japan	1.0%	1.7%	16.7%	12.8%
Hong Kong	2.6%	3.6%	-5.3%	-5.4%
Corporate Bonds	-0.1%	-0.1%	0.4%	0.4%
Sovereign Bonds	-0.7%	-0.7%	0.2%	0.2%

Equities

- Global stocks were up last week finishing at 1.3% in euro terms and 0.3% local terms.
- Year-to-date global markets are up by 16.5% in euro terms and by 16.7% in local terms.
- The U.S market, the largest in the world, finished at 1.2% in euro terms and 0.2% local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 3.9% last week. The German equivalent finished at 2.3%. The Irish 10-year bond yield finished at 2.7%.
- The Euro/U.S. Dollar exchange rate finished at 1.11, whilst Euro/GBP finished at 0.84.

Commodities

- Oil finished the week at $74 per barrel and is up 2.6% year-to-date in euro terms.
- Gold finished the week at $2,503 per troy ounce and is up 21.2% year-to-date in euro terms.
- Copper finished the week at $9,118 per tonne.

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